

## **IRS UNVEILS STRATEGIC PLAN FOR ELECTRONIC TAX ADMINISTRATION**

WASHINGTON -- The Internal Revenue Service today unveiled a sweeping plan to move its electronic tax programs into the next century.

“Electronic Tax Administration, A Strategy for Growth,” details the mission, goals and tactics for revolutionizing how taxpayers transact and communicate with the IRS. It lists 45 initiatives that over the next five years will lead to a future where taxpayers and authorized tax practitioners will not only be able to file and pay taxes electronically, but also retrieve copies of returns, receive help and inquire on their account status, all electronically and from the privacy of their homes or businesses.

“The ETA blueprint is a key component of the IRS modernization effort and represents an important step toward our goal of providing world class customer service,” said Charles Rossotti, Commissioner of Internal Revenue. “This year, nearly 25 million taxpayers enjoyed the benefits of electronic filing--security, virtually error-free returns and refunds in half the usual time.”

Rossotti noted that while the IRS is the largest processor of information in the world, the system is still bound by paper.

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Major electronic initiatives for the upcoming filing season include several pilot projects, which will provide electronic payment options and a paperless filing experience for those eligible to participate. Two pilots will allow taxpayers to file Form 1040 returns electronically and pay any taxes using a credit card. Two other pilots will permit the use of a Personal Identification Number (PIN) as the taxpayer's signature, thus eliminating the need to file a paper signature.

. Two primary goals underlie the ETA strategy:

- By the year 2007, IRS wants to do business electronically with 80% of U.S. taxpayers and
- For taxable years beginning after 2001, IRS wants all returns that are prepared electronically to be filed electronically.

In addition to documenting ETA's success to date and painting an encouraging picture for the 1999 filing season, the initial version of the Strategic Plan projects nearly a tripling of taxpayers e-filing their Form 1040s based on currently implemented or funded programs. As future initiatives are enacted, increases in projections are expected.

The Strategic Plan was released during a meeting of the Electronic Tax Administration Advisory Committee (ETAAC). The panel provides a public forum for the discussion of ETA issues, and will play an important role in the ongoing development and implementation of the new strategy. Both the ETAAC and the Strategic Plan are required by the IRS Restructuring and Reform Act.

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“The Strategic Plan should be viewed as an evolving document,” said Bob Barr, IRS Assistant Commissioner, Electronic Tax Administration. “It will be adjusted annually to reflect suggestions and comments that are received and to account for new developments and trends.”

Updates to the ETA Strategic Plan will be issued each June, in conjunction with the ETAAC’s annual report to Congress on the status of Electronic Tax Administration, Barr said.

To obtain a copy of the document, visit the IRS Website at *www.irs.ustreas.gov* or call the ETA office at 202-622-7990.

The IRS welcomes comments on the ETA Strategic Plan. Comments should be mailed to: Assistant Commissioner, Electronic Tax Administration, 1111 Constitution Ave., NW, Washington, DC 20224; faxed to 202-622-6264; or e-mailed to *\*eta-strategic-plan@ccmail.irs.gov*.

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